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18 March 1982

EUROPEAN COUNCIL

BRUSSELS, 29/30 MARCH 1982

PREPARATIONS FOR THE VERSAILLES SUMMIT

Brief by the Foreign and Commonwealth Office

OBJECTIVE

1. To show willingness to take views of smaller member states into account. To keep out of arguments about who should represent the Community at Summit.

POINTS TO MAKE (If raised)

General

2. Versailles Summit comes at important stage in Western economic recovery. Hope it will be forward looking on question of how Western economies will manage their recovery without stimulating inflation and increased oil prices.

3. Welcome views of member states not participating in Summit.

North/South Issues

4. (If appropriate) Accept continuing importance of North/South matters: agree appropriate reference necessary in communiqué.

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5. A mistake to isolate President Reagan. Essential to find ways of persuading the Americans to play a constructive role.

Community Participation

6. Content to leave it to French as hosts to work out with Commission and Presidency how Community should be represented.

7. (If pressed) Seems sensible that Community should be represented by single representative at restricted sessions.

BACKGROUND

8. European Council provides main chance for smaller member states to ensure their views are taken into account by Community participants at Versailles Summit.

9. Main issues likely to be discussed at Versailles are already covered by other briefs: they are

World Economy (Brief No 3 on Economic and Social Situation)

Trade, including Japanese problem (Brief No 8 on Trade

Relations with US and Japan)

Energy (Brief No 12 on Energy)

East-West Economic Relations (Brief No 7 on Poland)

North/South Issues (see below)

North/South Issues

10. Last Sherpa meeting agreed that discussion of North/South matters would not feature largely at Versailles, but that an appropriate communiqué reference would be necessary. President Mitterrand, with Italian (and Canadian and Japanese) support, will press for communiqué language which at least

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reaffirms the position taken at Ottawa and Cancun, and if possible goes further. With Community partners, we have reaffirmed our commitment to Global Negotiations, without offering substantive concessions to the deeply divided G77. Our objective is to prevent divisions between the Community and the Americans.

Community Participation

11. Following 1977 European Council decision that President of Commission as well as Presidency should take part as appropriate in 1977 London Summit, Foreign Affairs Council decided in November 1977 that 'at any further Western economic group meetings, the Presidency and the President of the Commission would be invited to take part in those sessions at which items which are in the competence of the Community are discussed'. Since then, President of Commission has regularly attended even restricted sessions of summits. No problem has hitherto arisen over Presidency since it has always been held by one of regular summit participants.

12. This year, with Belgium holding Presidency, French want to invite only one representative of Community to dinners of Heads of State and Government (and any other restricted sessions). This was agreed at December Personal Representatives' meeting; also agreed that it was up to Community to decide who that single representative should be. Matter was however discussed again at February Personal Representatives' meeting. There was considerable support for French position,

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but Belgian and Commission Personal Representatives reserved their position. Either Belgium or Commission may therefore argue at European Council in favour of two Community representatives in line with 1977 decision. Lahnstein (FRG) told Sir R Armstrong on 10 March that although Schmidt would no doubt prefer only the President of the Commission 'above all he would want to leave it to the French and the Belgians to sort out as far as possible'. The UK should do the same, so as to avoid incurring unnecessary odium whether from smaller member states or the Commission or both. We should also avoid involvement in compromise solutions, eg that UK as immediately preceding Presidency should speak at Summit on Community behalf.

13. In private conversation at February Personal Representatives' meeting, French and Italian as well German Personal Representatives made clear they would like Thorn rather than Martens to be single Community representative. Attempts to support Martens' claims against those of Thorn therefore likely to run into particular opposition, especially as Thorn has attended previous summits and it is he rather than Presidency who speaks on subjects within Community competence. Belgian attendance could well also create undesirable precedent - both for Community and member states - if at future summit Presidency is held by more difficult small member state (eg Greece).

Foreign and Commonwealth Office

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